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International Development
Committee

Sanitation and Water: Government Response to the Committee's Sixth Report of Session 2006–07

Seventh Special Report of Session
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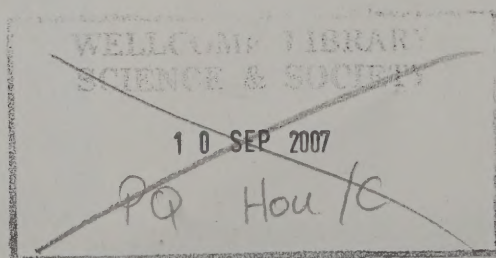
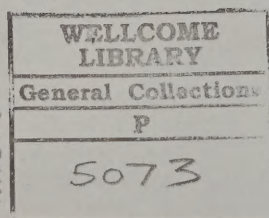
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Seventh Special Report

On 26 April 2007 the International Development Committee published its Sixth Report of Session 2006-07, *Sanitation and Water*, HC 126. On 26 June 2007 we received the Government's response to the Report. It is reproduced as an Appendix to this Special Report.

In the Government Response, the Committee's conclusions and recommendations are in bold text. The Government's response is in plain text.

Appendix: Government response

DFID welcomes the International Development Committee's important report on sanitation and water. We agree with the majority of the recommendations. The report's focus on sanitation—one of the most off-track MDGs—is particularly timely given the big push we are preparing to make during 2008, the International Year of Sanitation. We also welcome a greater emphasis on the management of water resources—an issue which will become even more challenging because of population growth, urbanisation and climate change. We will continue to do more in both of these areas.

We are pleased that the report recognises the leading role DFID has played internationally on water, especially through the 'five ones' in the Call for Global Action (one report and one high-level meeting internationally, and, in countries, one national plan; one coordinating group and one lead UN body).

We agree that more does need to be done on sanitation, not just by DFID but by the whole international community, developing country governments, civil society and the private sector. However, the Committee could have given greater recognition to the leading role DFID has already played on sanitation, both advocating internationally and through some excellent country programmes, such as in India and Bangladesh. These are already reaching tens of millions of people. We have committed to spending half of our direct aid on essential services, including sanitation, and to doubling our support for sanitation and water in Africa to £95 million per year by 2007/08 and to more than doubling it again to £200 million by 2010/11.

We would also have welcomed more emphasis on the importance of working through others—particularly the multilaterals. In this response we highlight our extensive work with the World Bank and the European Union. The headcount restrictions noted by the Committee make our efforts to work more efficiently all the more important.

Our policy update on sanitation and water is due by the end of 2007. This will build on many of the Committee's recommendations. We will set up a multidisciplinary Sanitation Working Group in DFID to take forward the policy recommendations on sanitation. The group's tasks will include setting out how DFID will increase the profile of sanitation at international, regional and national levels during 2008 in order to make progress.

[Paragraph 19] The links between sanitation and other social sectors, particularly water, health and education, are self-evident. We commend a multi-disciplinary approach to the sanitation sector.

[Paragraph 146] For DFID's multi-disciplinary approach to work effectively, closer links will need to be built between DFID advisers working on water and those working on health. We recommend that water and sanitation be mainstreamed across DFID's new health strategy to be published later in 2007, underpinned by explicit strategies to promote co-working between advisers working on water and advisers working on health.

[Paragraph 154] DFID's multi-disciplinary approach should ensure that water, sanitation, gender and education issues are mainstreamed across DFID's forthcoming health strategy.

We agree. A multi-disciplinary approach to sanitation is vital: efforts need to be made in sectors such as health and education to achieve the MDG target. DFID already fosters close links between advisers working on water and other issues. We have multi-disciplinary teams working on policy formulation, and developing programmes with partner countries. Water and governance advisers are currently working together to improve understanding of governance issues in the sector. As set out in DFID's memorandum to the Committee, some of DFID's largest and most successful water and sanitation programmes have focused foremost on sanitation and hygiene behaviour change.

DFID's multi-disciplinary working group on sanitation will examine how DFID can work more effectively towards sanitation goals through our health and education programmes.

DFID's new health strategy, published on June 5 2007, explicitly recognises the links between health, water and sanitation. It commits us to ensuring that investments in other sectors, including water and sanitation, lead to maximum health gains. It also recognises the importance of working with health ministries to address sanitation.

[Paragraph 20] DFID needs to be proactive in tackling the stigma around sanitation and should draw on lessons from the successes in tackling the stigma around HIV and AIDS.

We agree. DFID has invested considerable effort in raising awareness of HIV and AIDS and tackling the stigma attached to it. We agree that important lessons could be drawn from this work to break the silence around sanitation and initiate hygiene behaviour change. However, whilst there are similarities between the issues, there are also important differences. For example, AIDS is often associated with already stigmatised populations, such as sex workers, who experience multi-layered stigma which requires work to address different issues at the same time. Therefore approaches may not be fully transferable. We will establish what lessons are transferable through the sanitation policy update.

[Paragraph 22] We recommend that DFID make its sanitation investments more transparent by disaggregating funding given to the sanitation and water sectors, and by encouraging the multilateral institutions to which it contributes funds to do the same.

We will explore the usefulness of disaggregating funding to sanitation and water, as well as the feasibility of doing so, as part of our general update in 2008/09. Most projects and programmes combine sanitation with water, education and health and exploit the synergies to be gained from this approach. It is therefore difficult in many programmes to differentiate sanitation investments from other interventions. We would also need to consider the extra reporting burden this would impose on our partner governments.

[Paragraph 23] A multi-disciplinary approach to sanitation and water will only work if the two sectors are given equal attention. Sanitation is currently neglected within DFID. The complex distinctive challenges inherent in reaching the sanitation Millennium Development Goal target require proactive measures on DFID's behalf to raise the profile of sanitation within its work on sanitation and water, including the creation of a separate sanitation strategy.

We agree that sanitation has been given insufficient attention by donors and developing country governments as a whole, but we do not agree that DFID neglects sanitation. DFID played a leading role in the development of the MDG target on sanitation in 2002 and has been a key supporter of the Water Supply and Sanitation Collaborative Council, the main international advocate for sanitation. DFID has also actively supported and promoted pioneering work on Community-Led Total Sanitation. DFID will continue to work with development partners to increase profile and coverage, especially during 2008—The International Year of Sanitation. DFID's forthcoming policy update will place particular emphasis on sanitation and what should be done differently to increase the effectiveness of work in this field. We recognise that a global doubling in effort is required to reach the MDG target. The sanitation working group will ensure that important policy recommendations are taken forward.

[Paragraph 29] DFID's support for research into the replicability of the Community-Led Total Sanitation (CLTS) scheme is important and should continue along with support to other promising approaches such as social marketing. The widespread success of CLTS in Bangladesh and emerging lessons from uptake elsewhere suggest that there are huge potential gains from the scheme.

[Paragraph 30] The growing uptake of the Community-Led Total Sanitation scheme and social marketing approaches will require DFID staff working on sanitation to be adequately trained in the techniques needed for these approaches, so that they can advise governments and other development partners on how to design and invest in such programmes.

We agree. An increasing number of DFID staff do have knowledge and experience of Community-Led Total Sanitation (CLTS). At least three advisers in DFID have worked on the WaterAid programme in Bangladesh, totalling five person years of expertise in this

field. DFID also recognises social marketing as an essential tool for generating demand for sanitation. We will ensure that sanitation marketing is included as a component of sanitation programmes wherever appropriate, and will hold a session on CLTS as part of this year's infrastructure advisers retreat.

[Paragraphs 36–37] Different skill sets are required for the sanitation and water sectors: the former requires people-based skills and health and social development expertise, as opposed to the more technical solutions needed for water supply. We welcome DFID's decision to carry out a review of its sanitation policy. Under the review, we recommend that DFID reconfigure its sanitation expertise. Sanitation must become an integral part of health advisers'—and, where possible, social development advisers'—work within country programmes. Within DFID's Policy and Research Division, the Water, Sanitation, Energy & Transport Team should contain health and social development advisory capacity.

We agree that sanitation and water must be tackled in different ways, and will assess our capacity in the policy update. However, DFID water advisers, and other staff, already have many of the skills needed for sanitation and have used them effectively in the water sector for some time. Their expertise has delivered successful sanitation projects in the education sector in Malawi, and programmes in Bangladesh and India. For example, in Bangladesh DFID is supporting a £36 million Sanitation, Hygiene Education and Water Supply Programme, implemented by the Government of Bangladesh and UNICEF. This has a particular focus in improving hygiene practices in water scarce areas. The programme has delivered improved sanitation to 7 million people in its first five year phase and will improve sanitation to a further 30 million and 7,500 schools in the second five year phase. Moreover, sanitation, particularly for the urban poor, can still present significant technical problems. Simple on-site solutions may not be appropriate in dense urban areas or where ground conditions do not make latrines appropriate. Without proper attention to disposal of waste products there is a risk of polluting water sources and of outbreaks of disease.

We are strengthening the links between water and health advisers both in the UK and in overseas offices. The joint water, sanitation and health programme being developed in Sierra Leone is an excellent example of this, as has been the joint working on our sanitation policy.

[Paragraph 41] Sanitation provision in slums is constrained by institutional fragmentation, insecure land tenure and residents' lack of political influence. We recommend that DFID revisit its prioritisation of rural over urban support as the global urbanisation process continues. The Department needs to work with governments to raise the issue higher up the political agenda, seek solutions to provision in informal settlements that are appropriate to and designed in consultation with local communities and create an institutional home and effective co-ordinating mechanisms for urban sanitation provision.

We agree that given the pace of urbanisation, climate change and population growth, urban service delivery is a growing challenge for governments. This challenge is directly

linked to poverty reduction as the poorest usually live in the most vulnerable parts of informal settlements. However given that 2 billion out of the 2.6 billion people lacking adequate sanitation live in rural areas, DFID has focussed on bringing access to these people, to try and meet the MDG target by 2015.

DFID will work through multilateral and bilateral channels to support governments to respond to the urban challenge. 37% of DFID's water and sanitation spend in 2005–06 was through multilateral organisations including the World Bank, the Asian Development Bank and the European Bank for Reconstruction and Development. These have strong urban expertise and allocate considerable funding to urban issues. Through organisations such as the multi-donor Water and Sanitation Programme (WSP) we are already paying increasing attention to service delivery in informal settlements. For example, through the Domestic Private Sector Participation Initiative (DPSPI) DFID is supporting 23 projects in 15 countries to enable the domestic private sector to deliver affordable and sustainable services to the poor, such as introducing innovative management models through partnerships between utilities and informal/small providers in Kenya and Tanzania. Bilaterally, DFID has significant activity with large urban services programmes in India and Sierra Leone.

[Paragraph 44] We recommend that DFID support the wide promotion of lesson-learning about successful low-cost urban sanitation schemes such as the Orangi Project in Pakistan.

We agree that lesson learning about successful low-cost urban sanitation is important. We have done this in the past (e.g. through the WELL factsheet on urban sanitation) and will continue to do this through our new Environment and Water Resource Centre. The Orangi Pilot Project (OPP) in Karachi, Pakistan has long been recognised as an example of how communities can take action to alleviate their sanitation problems. Indeed, it was used as a case study in DFID's Water Target Strategy Paper of 2001.

However replicating the OPP model has not proved easy. The OPP model depends on strong independent community efforts with limited engagement from government. This approach does not tap into the resources that governments can, and should, make available to enable programmes to deliver at scale. For long term sustainable results governments need to work with communities, as in the case of the Faisalabad Area Upgrading Project (FAUP) which DFID has supported. The FAUP helps communities to build their own social and physical infrastructure while maintaining links to government and receiving government funding for service provision along with their own contributions.

[Paragraph 45] Sanitation needs international champions to reverse decades of neglect—and, with some reprioritisation and staff reconfiguration, DFID could and should be one of these champions. We recommend that DFID act now to push sanitation far higher up the global political agenda. If progress towards the sanitation Millennium Development Goal target is not rapidly stepped up, the attainment of all the other MDGs will be compromised.

We agree that sanitation needs international champions. DFID has already played a major role in advocating sanitation and will continue to do so.

DFID's call for global action on water and sanitation calls for one high level annual meeting and one annual report. In 2008, the International Year of Sanitation, the annual report will prioritise sanitation which will be the focus of the first annual meeting. This will push sanitation up the global political agenda and help accelerate international action. DFID's policy paper on sanitation will set out further ways to increase the focus within the international community and developing countries. We will set up a sanitation working group to take forward the recommendations from the IDC and the sanitation policy paper.

[Paragraph 51] DFID deserves credit for the leadership it has demonstrated through its proposed Global Action Plan for water and sanitation. We were pleased to hear that some progress has been made on securing international agreement to the Plan. We exhort DFID to continue with urgency its high-level engagement on the Plan to ensure that the five objectives are agreed and launched by the end of 2007, to ensure sufficient progress is made towards meeting the MDG targets by 2015.

We welcome this recognition. Real progress was made towards reforming the way the sector is organised internationally at a World Bank/IMF Spring Meetings Side Event. This progress was in line with the Secretary of State's 'five ones' in the call for global action. This is a priority for DFID and we will continue our high-level engagement.

The Secretary of State and officials are working with those countries and agencies that attended the Spring Meetings to emphasise the role of each party in taking forward the call for global action. This will continue with the same level of urgency as before. DFID officials are working with UN-Water and others to take forward the one annual meeting and one annual report for 2008. The next significant milestone will be Stockholm Water Week in August 2007, at which the outline and sample sections for the 2008 annual report will be presented and the best opportunity for the first annual meeting in 2008 will be identified.

[Paragraph 52] Whilst pursuing global progress on the effectiveness of financing for sanitation and water, DFID must at the same time ensure that its own house is in order when it comes to providing long-term, predictable and co-ordinated financing to the sectors. Predictability of financing is particularly important for the water sector, where a reliable source of funds is needed to build and maintain infrastructure.

[Paragraph 56] Where decisions to withdraw planned aid are made, DFID needs to ensure it is accountable to poor people by being fully transparent about decisions and by publicly announcing to parliamentarians and civil society the reasons for changes in policy and the planned remedial course of action. We recommend that DFID ensure that its aid to sanitation and water is predictable. Any rapid scaling-back of aid should be a last resort, but where it is unavoidable—for example following political events that are beyond its control—DFID should publicly communicate changes to its policies to civil society and parliamentarians to ensure proper accountability. We reiterate the recommendation we made in our report on DFID's Departmental Report 2006 that DFID should examine the long-term viability of Poverty Reduction Budget Support before it is introduced and put contingency plans in place prior to PRBS being withdrawn.

We agree. DFID has in place mechanisms to ensure transparency and predictability of aid allocation. We are continuing to improve this. DFID does not impose policy conditions through its aid. All aid agreements with partner governments are made in writing and their details are published on our external website.

To ensure the predictability of our bilateral aid, we aim to disburse Poverty Reduction Budget Support to partner countries within the first 6 months of their fiscal year. Payments to non-governmental partners are made as scheduled, subject to satisfactory progress. We use 3-year rolling programmes of financial support, and have signed 10-year development partnership arrangements with 5 countries, with a further 6 due to be signed in 2007/08.

A significant amount of DFID support is delivered through the multilateral system and this is due to expand. DFID is encouraging the World Bank and regional development banks to improve the predictability and transparency of their instruments.

[Paragraph 60] For budget support to work effectively as an aid mechanism for the sanitation and water sectors, DFID needs to assist the ‘voice’ of the sectors by helping to strengthen the ‘institutional homes’ for sanitation and water and support the building of capacity at local government level. This is especially true for countries with decentralised government where spending decisions are made by regional and local officials. We recommend that DFID support a complementary strategy to strengthen the role of parliamentarians and civil society in scrutinising budgets and policies and articulating demand for sanitation and water services effectively.

We agree that, in many countries, more needs to be done to ensure that the importance given to sanitation and water services by poor people is prioritised in government budgets, policies and practice. DFID is putting the spotlight on this at the international level through our call for global action, and nationally through initiatives such as the EU Water Initiative country dialogues, as well as through our core work on good governance.

For states to work effectively for poor people, good governance needs to extend to local government. DFID is providing significant support for local government capacity-building through multilateral programmes such as the World Bank's \$2 billion community-driven development approach. Our bilateral efforts include the Protection of Basic Services programme in Ethiopia. A recent review showed that government spending on basic services has grown substantially, service provision has increased and information about budgets is being made publicly available.

[Paragraph 63] The UK's recognition of the human right to water is a positive first step. However, DFID should encourage developing countries to go beyond recognition to quantify and legislate for the right to water. Only then can citizens hold their providers accountable for their entitlement to water. This should include a complementary strategy of increasing demand for water services by helping to raise public knowledge of existing entitlements, as well as of gaps in legislation and policies.

We are committed to supporting partner countries to ensure that people enjoy their human right to water. How we do this will depend on the country context. Where appropriate, we will work with partner governments to define people's right to water, support efforts to increase people's knowledge of their entitlements, promote greater accountability in water services and strengthen the mechanisms by which people can claim their right to water.

[Paragraph 71] DFID needs to engage with other donors to ensure that the Commission for Africa's recommended donor spending on infrastructure of US\$10 billion a year up to 2010 (and, subject to review, a further increase to US\$20 billion a year in the following five years) is secured.

We agree. In response to the Commission for Africa recommendation to increase investment in infrastructure for development, DFID led the establishment of the Infrastructure Consortium for Africa (ICA). The Consortium will increase the level of investment in sustainable infrastructure and address issues that are hampering progress.

[Paragraph 72] We recommend that DFID prioritise engaging with the EU Water Initiative's Africa Working Group so that gaps and overlaps in funding for sanitation and water in Africa can be addressed.

[Paragraph 73] DFID has shown leadership on the EU Water Initiative from the outset. It now needs to use this position to seek more active participation from other donors so that improved co-ordination of EU member states' aid to sanitation and water can be facilitated.

[Paragraph 75] DFID has played an essential role in the first successful EU Water Initiative (EUWI) Country Dialogue in Ethiopia. It should proactively share lessons learned with other pilot countries so that the effective factors within the Ethiopian Dialogue can be emulated elsewhere. The Department should encourage other donors within the EUWI Africa Working Group to increase their involvement in Country Dialogues.

We agree. DFID has already increased its engagement with the EU Water Initiative's (EUWI) Africa Working Group (AWG). We participated in the group's April meeting in Ouagadougou with the African Ministers Council on Water. DFID is active in the group of three Member States who lead the AWG, and will chair this group in 2008. DFID will also lead for Member States at the Africa Regional Meeting on Water, which we expect will take place at the Commission for Sustainable Development in April 2008.

DFID has played a leading role in the EUWI from the start, and recently, along with Germany, funded a comprehensive review to make it more transparent and effective. We will finalise the recommendations with other stakeholders in August 2007. A DFID seconded expert at the European Commission has been instrumental in galvanising support from Member States for the EUWI and has provided strategic direction to its implementation and reform.

The Country Dialogue in Ethiopia has catalysed stakeholder support for the government's Universal Access Plan to provide universal access to water and sanitation by 2012. DFID has been the main supporter of the Dialogue with our secondee to the Ministry of Water Resources playing a critical role. As a first step to sharing the lessons from Ethiopia these two secondees will lead a session on the Country Dialogue at the infrastructure retreat in July 2007.

[Paragraph 77] We agree with DFID's view that the EU Water Facility should be reformed and better linked to the EU Water Initiative so that it is more strongly integrated into national and local planning. The tenth round of the European Development Fund (EDF), to be finalised in 2007, provides a window of opportunity for DFID and other donors to seek the reform of the EU Water Facility.

We agree. DFID, along with a number of other Member States, is calling for the tenth EDF to include funding for an extension of the Facility. DFID will push for this new Facility to be more explicitly linked to the EU Water Initiative and to be designed so that projects which receive funding are included in national planning, rather than establishing a parallel process.

[Paragraph 79] DFID's support to the African Development Bank's Rural Water Supply and Sanitation Initiative (RWSSI) is important. In order to maximise this investment and the success of the RWSSI, we recommend that DFID engage with the Bank to ensure that capacity-building of rural local government bodies is a major priority for the Initiative, and does not become subsumed amongst the RWSSI's competing priorities. DFID should also support the Bank's own capacity to target and spend funds effectively.

We agree. An important objective of the RWSSI must be capacity-building at the local level—this is the best way to make investments sustainable. We are already providing £6 million of technical assistance to help get this ambitious initiative started. We will consider further funding when we are confident it can efficiently deliver rural programmes at scale. Financial and technical support for local government must go alongside political support for local officials and effective devolution of decision-making and financial resources. The support which DFID is providing to the RWSSI will strengthen the AfDB's own capacity to target and spend funds effectively. DFID is also funding a financial expert in the AfDB's African Water Facility (AWF). In a number of countries the AWF is used to assist governments to develop proposals for the RWSSI.

[Paragraph 84] Limited service and management contracts can be mutually beneficial for the private sector and public water providers, but only if contracting procedures are transparent, include provision for training and capacity-building within local communities, performance targets are publicly known and contracts include effectively monitored pro-poor requirements.

We agree. It is especially important to ensure that contracts incentivise expansion of services to the poor. Where DFID is directly engaged it ensures that contracting

procedures are transparent and that a pro-poor focus is maintained. DFID also supports partner organisations to improve service delivery to the poor. For example, the Public-Private Infrastructure Advisory Facility (PPIAF) responds to requests for advice from developing countries to ensure that their citizens get the most out of private sector involvement in infrastructure services.

The local private sector has an important role in filling the gap when public utilities fail to provide services, which is often the case in informal settlements. DFID has funded a major programme implemented by the Water and Sanitation Programme (WSP), to work with small-scale local providers to improve service provision for the poor. This has included linking these providers with utilities to serve urban areas.

[Paragraph 87] NGOs and communities themselves are important water providers, but to work effectively they must operate within government frameworks so that legitimacy and sustainability are ensured. We recommend that DFID encourage partner governments to engage in NGO and community schemes so that co-ordination and sustainability of water provision schemes can be maximised.

We agree that NGOs should operate within government frameworks. It will sometimes be right for DFID to encourage greater government engagement in NGO or community activity, but this will depend on the circumstances. If the policy framework set up by the government is in itself flawed then NGO engagement will not ensure greater legitimacy and sustainability.

Light coordination and regulation of NGOs by government can help by ensuring an even spread of coverage and a measure of quality control. In fragile states, where government failure is greatest, the role of NGOs and Community Based Organisations (CBOs) is likely to be bigger. In these countries, the gradual development and eventual implementation of a policy framework for NGOs can be an important part of state building.

[Paragraph 94] Public utilities are responsible for the vast majority of service delivery. Reform of public utilities is essential if they are to operate more effectively and efficiently and increase service coverage for poor people. We recommend that DFID investigate the promotion and funding of 'public-public partnerships' between public water operators, which can help utilities in developing countries support each other, share knowledge and learn from each other's successes.

We agree. We are supporting water operator partnerships, but they should not be limited to public sector providers. Public utilities are responsible for the vast majority of piped service delivery, although their direct reach is often limited. This is particularly true when it comes to reaching the poorest people who tend to be served by a variety of intermediaries. Sanitation is usually on-site for the poorest, with very few people reached by utility sewerage systems. It is important that utility reform increases service coverage to reach more poor people.

DFID supported the participation of water utilities and regional institutions in workshops in Africa and Asia to develop and benefit from the Water Operators Partnerships (WOPs). The WOPs, as proposed by the UN Hashimoto Action Plan (2006), are partnerships to support public utilities. DFID is committed to ensuring that the WOPs are demand driven, results orientated and lead to improved services for the poor. DFID is also facilitating lesson learning from successful partnerships which have contributed to utility reform, to feed into the design of regional WOPs.

[Paragraph 96] Tackling corruption is of core importance to improving governance of the water sector. Corruption is less likely if utility employees do not need to supplement their pay through bribes. We recommend that DFID encourage partner governments and the private sector to prioritise paying water sector staff a decent wage.

We agree that addressing corruption is an important part of improving water sector governance. However, it requires a broad range of measures, including stronger public financial management and increased transparency and accountability. Evidence shows that, whilst low pay can demotivate staff and stimulate corruption, increasing wages does not, in itself, decrease corruption. It must be carried out as part of a package of public sector reforms to build capable, accountable and responsive government.

DFID is supporting efforts to understand more fully the nature and scope of corruption in the sanitation and water sectors, as well as the incentives that lead public officials, and those in the private sector and civil society, to engage in corrupt practices.

[Paragraph 100] We recommend that DFID work to ensure that improved accountability and transparency mechanisms are built into national decision-making processes. This will facilitate a clearer voice for consumers and civil society, and help to ensure that water systems are based on the realities of poor people's needs. This should include looking at the length of donor funding cycles which, if too protracted, can compromise the mutual trust that should be at the heart of the supplier-provider-community relationship.

We have set up a new £100 million Governance and Transparency Fund to strengthen civil society to help citizens hold their governments to account. This will complement other work to support greater accountability and transparency in national decision-making processes. For example, our support for NGOs to engage with the budget process in Indonesia, Burkina Faso, Malawi, Bolivia, Mozambique, and Ethiopia, and our support for transparent annual public expenditure reviews and citizens' access to parliamentary debates in Tanzania.

[Paragraph 104] We recommend that DFID do more to strengthen capacity in sanitation and water to provide policy support and technical advisory services for national governments and development partners. One route towards this would be increased support to regional, national and sub-national resource centres in Africa and

Asia. The centres could support knowledge transfer, develop appropriate training courses, provide policy advice and encourage the development of locally appropriate solutions to sanitation and water. Centres should be established in a way that is sustainable and allows them to attract business and function as financially viable entities.

Effective African and Asian institutions are vital to ensuring long-term sustainable progress on sanitation and water. The suggestion of regional, national and sub-national resource centres in Africa and Asia is an interesting one. We need to assess likely demand and explore this in the light of what others are doing. This would build on our former resource centre for water and sanitation, WELL, which supported six centres of excellence in Africa and Asia (Kenya, Nigeria, Ghana, Zimbabwe, India and Bangladesh).

[Paragraph 105] DFID should build a more formal relationship with professional water associations, which can assist in brokering expertise between countries experiencing similar technical problems in their water systems, using methods such as responsive twinning and mentoring to provide support for water operators in developing countries.

Professional associations have an important role to play in building technical capacity, setting standards, and developing good practice. DFID is supporting utility managers and professional associations in both Africa and Asia to get together and decide whether they want to form regional partnerships to share expertise. We are also funding lesson-sharing about successful partnerships between utilities. We have recently agreed a further £1 million funding to Partners for Water and Sanitation, a not-for-profit partnership that draws on the skills of UK government, private sector and civil society to provide advice and support to projects in Ethiopia, South Africa, Uganda and Nigeria.

[Paragraph 107] DFID's decision significantly to boost its own research capacity on water and sanitation is welcome. We particularly support the focus on building local capacity for research. The Department needs a clear strategy for deciding in which areas research is required and how findings will be communicated and used within partner countries.

We agree. DFID is developing a strategy for future water research. This will build on the water and sanitation-related research carried out in the, now completed, Engineering and Knowledge and Research programme. The strategy will focus on getting research into use within partner countries through adaptation, dissemination and mainstreaming.

[Paragraph 111] While money is part of the solution to reaching the sanitation and water MDGs, and we very much welcome the increase in DFID's allocation, it is not sufficient on its own. Developing countries have an urgent need for technical advice and capacity-building in the water sector, which will require increased human resources within DFID. DFID must address its own tendency to focus too heavily on

financial inputs without adequately assessing the necessary human resource requirements for efficient expenditure of funds.

We agree that DFID's increased resources must be used efficiently to increase access to basic water and sanitation services. We also agree that there is an urgent need for capacity-building in the sector, especially at the local level. We assess issues of capacity as part of our standard institutional appraisal and when necessary our support includes a capacity-building component. We also support a range of institutions and initiatives which have capacity-building at the core of their work. In particular, DFID:

- funds capacity-building networks such as the Water Supply and Sanitation Collaborative Council and the Global Water Partnership;
- works closely with UNICEF at the country level in both Africa and Asia as well as centrally with their head office;
- funds programmes to strengthen research networks in developing countries (e.g. the RiPPLE (Research-inspired Policy and Practice Learning in Ethiopia and the Nile Region) programme);
- will build on the work it has done supporting centres of excellence in Kenya, Nigeria, Ghana, Zimbabwe and India;
- is working through the Water Sector Development Programme and with WaterAid Tanzania to support local government reform;
- is providing over £1 million of additional funding for the Partners for Water and Sanitation capacity-building initiative;
- works with others to build capacity e.g. DFID supports the World Bank's Community Driven Development Programme and we are likely to provide funding for another World Bank programme building Woreda (district) level capacity in Ethiopia.

[Paragraph 112] Headcount restrictions—within DFID and other donors—risk leaving a void within in-country donor advisory capacity just at the time when progress is urgently needed on the sanitation and water MDG targets. We recommend that DFID urgently carry out a needs assessment of staffing requirements until 2011 and work on a strategy for a co-ordinated response to the possible weakening of in-country donor advisory capacity.

DFID is currently carrying out a Strategic Workforce Planning process to determine what resources are available, where the demands are likely to be over the next five years and how best to match resources to need. To inform this process, data is being updated on adviser numbers and posts, and a series of discussions have been held with Directors, our human resource department and Heads of Profession (including those for infrastructure, environment, health and education).

We are reducing staff numbers in line with cross government headcount restrictions. This is challenging us to act smarter—to move away from engagement in individual projects to

working in ways that have broader influence on a bigger scale and to equip non-specialist advisors to work effectively in the sector (Tanzania provides an excellent example of this). Nevertheless, we recognise there are some advisory specialist gaps to fill in key countries where we need to deliver on sanitation and water specifically. The Strategic Workforce Planning will ensure this expertise is deployed to best effect.

[Paragraph 117] We recommend that DFID encourage the global community to reaffirm the missed 2005 target for all countries to have Integrated Water Resources Management Plans and Water Efficiency Plans in place. As part of this reaffirmation, national-level coordination mechanisms, with appropriate monitoring and reporting components, should be established so that countries can put robust water resources management strategies in place within a set time period.

Water Resource Management is crucial to development, however, we do not believe that reaffirmation of the 2005 target is a useful way to make progress. The IWRM target did not generate the same resources or action as other targets set by the MDG process. Extending the timeline on a target which has failed to generate political urgency is unlikely to result in renewed action. In addition there is a risk that the plans (as opposed to the process of producing them) become the end in themselves and fail to catalyse change at a higher political level or support wider development goals.

The challenge is to ensure that key elements of IWRM are taken up in Poverty Reduction Strategy Papers and national development plans, and then adequately funded and implemented. This is why we will push for a new, more effective international target, which links IWRM with development outcomes and promotes equitable allocation of resources, with measurable achievements in key water-using sectors (such as agriculture). DFID will set out what we think is required, and how we propose to promote this, in the background paper on water resources management which is being prepared as part of our sanitation and water policy update.

[Paragraph 119] As the only international partnership on Water Resources Management (WRM), the Global Water Partnership (GWP) needs to do more than promote dialogue: it must develop clear strategies for donor co-ordination and support countries' development and implementation of WRM plans. DFID should work with other donors to ensure that this change takes place. If the forthcoming evaluation suggests the Partnership cannot fulfil this role, a new and far better resourced global mechanism needs to be established by donors as a matter of urgency.

The Global Water Partnership (GWP) is a highly influential network, contributing to policy impact and outcomes that go beyond promoting dialogue. This was highlighted by the multi-donor funded external review in 2003. Ongoing work by the GWP on performance monitoring also clearly demonstrates that the network has moved beyond promoting dialogue to helping implement better water management as well.

GWP has recently initiated a strategic planning process to develop its future direction for its 2009–2014 strategy. In parallel with this, DFID and other donors are commissioning a new independent evaluation which will look at GWP governance, activities and impacts, as

well as its comparative advantage. At this stage it would not be useful to pre-empt the findings from the evaluation. However, we would not agree that setting up yet another new global mechanism would help harmonise the international effort, which is already overcrowded. What is needed, here as elsewhere, is effective action on the ground rather than more international bodies or initiatives.

[Paragraph 123] Given the increasing constraints on water resources, it is imperative that DFID substantially scales up its limited work on Water Resources Management (WRM). DFID's funding of the Research-inspired Policy and Practice Learning in Ethiopia and the Nile Region (RiPPLE) programme has been a positive step. The Department now needs to ensure that knowledge developed under the programme is used and communicated widely. In conjunction with other bilateral donors under a reformed global partnership for WRM, clear processes of support must be established to help countries develop Water Resources Management Plans and Water Efficiency Plans, which should be embedded within Poverty Reduction Strategy Papers and include monitoring mechanisms.

We agree. Although the RiPPLE programme is primarily focussed on governance in water supply and sanitation it includes research on the linkages between service delivery and growth. This is directly related to wider water resources management concerns. In addition, building water research capacity and working with the Ministry of Water Resources in Ethiopia will have benefits across the sector. Ensuring the uptake of research is a fundamental principle of the RiPPLE programme. This has been built into its design through action research, involving potential end-users and a focus on capacity-building at all levels.

DFID's new water research strategy will include other programmes with a specific focus on water resources management. The uptake of research will remain central to the design of these programmes. We see a useful role for the Global Water Partnership network in disseminating research.

[Paragraph 125] As part of an increasing package of support to Water Resources Management (WRM), donors should ensure that professional capacity to measure availability of water and collect data on hydrological and meteorological patterns is adequately supported. DFID should look for opportunities with other donors to support research into identifying a minimum set of data that could act as a series of basic indicators on WRM and climate change.

[Paragraph 106] DFID should encourage partner governments to boost staff numbers and develop training programmes to improve the collection of accurate hydrological data, which is essential to pinpointing water access and management needs.

We agree that lack of finance and capacity for data collection and monitoring at national, regional and international levels is currently a significant constraint to progress. Where partner countries identify this as a priority we will work with others to find ways to support them in capacity-building, through technical co-operation if appropriate.

However, it is important to recognise that in most cases the critical gap is weak institutional capacity to use data effectively in planning, monitoring and enforcement, rather than inadequate technical capability for data gathering. The best response depends on need and varies widely with local context.

Data requirements are highly context specific and therefore any generic set of data is unlikely to be very useful. However, we agree that research is required on some of the data and capacity issues around water resources management. DFID has been appointed the co-ordinator of European members' research into water and sanitation for developing countries, (ERA-NET) and is tasked to identify joint programmes—the effect of climate change on water resources management has already been identified as an area of future co-operation.

[Paragraph 127] We recommend that DFID work with other UK government departments, including the Department of Trade and Industry and the Export Credits Guarantee Department, to increase UK stakeholders' adherence to the World Commission on Dams' (WCD) Guidelines for Dam-building. Organising a multi-stakeholder forum on the Guidelines would help promote the participation of industry and other relevant actors.

DFID supported the processes leading to the production of the WCD Report "Dams for Development" in November 2000. We subsequently co-funded the first phase of the Dams and Development Unit, which was set up to help countries implement the WCD recommendations.

In October 2002, the UK Government (DFID, FCO, DEFRA, DTI and ECGD) produced a Consultation Draft Response to the Report of the World Commission on Dams, entitled 'World Commission on Dams —Towards a UK position'. The document includes a section on next steps to ensure that we actively promote WCD principles and implement the recommendations. The draft was put out for consultation and a one-day national multi-stakeholder seminar was held in 2003. We do not therefore believe it is necessary to hold another forum at this stage. We will work with other government departments to update and finalise the UK position document, with further consultation if necessary. DFID will aim, with other Whitehall Departments, to finalise the Position Paper by December 2007.

[Paragraph 133] DFID's work on climate change adaptation in relation to Water Resources Management is relatively new and we received no evidence on the impacts of its work so far. But it is clear that DFID is putting the foundations in place to move forward its own and development partners' work on climate change adaptation. We are greatly encouraged by DFID's leadership on climate change adaptation in relation to water resources management, internationally and across Whitehall, and its support for research on this subject. We expect to see DFID translate this leadership into substantive policies and frameworks for action in the near future. The importance of DFID's work in this area must be recognised and properly funded under the Comprehensive Spending Review process.

We agree. DFID's bid under the Comprehensive Spending Review has prioritised climate change both in terms of helping developing countries adapt, and helping them adopt cleaner development processes. Water resources management is a key part of DFID's water and sanitation policy update.

DFID is a leading donor to the United Nations Framework Convention on Climate Change adaptation funds, which provides financing to help developing countries develop knowledge of climate change risk and develop adaptation strategies in priority sectors. The UK Contribution to the Fourth Replenishment of the Global Environment Facility (GEF) is £140 million over four years (£35 million each year). GEF is the designated financial mechanism for the international conventions on biodiversity, climate change, persistent organic pollutants and desertification. GEF also supports projects that protect international waters and the ozone layer. The UK has also established an £800 million International Environmental Transformation Fund for the purpose of reducing poverty through environmental management and helping developing countries respond to climate change.

[Paragraph 138] As water availability becomes constrained, the risk of conflict over water resources is growing. Donors can help pre-empt such conflicts by supporting joint hydrometric monitoring of shared rivers and trans-boundary river commissions. DFID's funding of the Nile Basin Initiative (NBI) has been important, and we recommend that the Department continue to support the development of the current transitional arrangement into a permanent framework. DFID should continue to look at the viability of establishing a similar initiative within the Congo Basin.

We agree, and will continue to work with other donors to manage water to reduce the risk of conflict and promote regional coherence as an important aspect of DFID's work on water resources management. The NBI has been a long and strategically successful process, with impact beyond just water.

There is much useful experience from the NBI that we can transfer to other basins, including the Congo Basin. DFID has recently committed £50 million to the Congo Basin Forests Trust Fund which covers 10 riparian countries, including DRC and Rwanda. DFID will work with others, including the World Bank and African Development Bank, to consider how we can build on this support to develop a broader basin initiative similar to the NBI. It is important however, that African institutions take the lead on this.

[Paragraph 153] DFID's education strategies do not do enough to stress the importance of sanitation and water promotion within schools. This needs to change if DFID is to deliver a properly integrated sanitation and water strategy. DFID should also work with education ministries on curriculum development and teacher training so that curricula include a water, sanitation and hygiene component.

We disagree. Through our bilateral programme, we work with ministries of education to improve access to water and sanitation, and some of the multilateral agencies that we support play a major role in school water and sanitation issues. For example, the World Bank and Regional Development Banks have large-scale school construction programmes

in many countries and UNICEF has special programmes that promote water and sanitation in schools. In Sudan, DFID has provided approximately £2 million to assist UNICEF education programmes in the conflict-affected areas of the country, providing books and materials to over 2000 primary schools and supporting the construction of water and sanitation facilities. In most cases school and teacher training curricula already include an element of health education. DFID's role is advisory, supporting government-led curriculum reform on request.

DFID's *Girls' Education Strategy*, published in January 2005, commits us to support governments to promote cross-sectoral programmes including clean water supply and sanitation facilities. The first progress report, published in December 2006, highlighted the support that we are providing in several countries, where access to basic facilities such as school toilets and safe drinking water is improving the quality of the school environment and resulting in better learning outcomes for girls.

[Paragraph 155] DFID has not given adequate attention to the impact of women and girls' water-fetching burden in its education strategies. The Department needs to help governments develop strategies addressing the time burden associated with collecting water that keeps girls out of school. These should encompass tackling wider social inequalities that perpetuate women and girls' water-fetching burden, expanding water supply so that journey times are reduced and practical school-based strategies such as flexible timetabling.

We disagree. DFID supports countries' education sector plans, where possible contributing to the budget for the whole sector. This involves analysis of all the gender issues affecting girls' participation in education. Water carrying is a widely recognised barrier, alongside other domestic responsibilities.

In the 2006 White Paper, we said that we would give greater priority to work in support of gender equality and women's rights. Our Gender Equality Action Plan sets out how we will implement this commitment.

[Paragraph 159] Whilst we are supportive towards DFID remaining highly focused on sanitation and water, it is important that the use of water for agriculture is mainstreamed across the Department's water and sanitation strategies.

[Paragraph 162] We are concerned that DFID's water strategy does not sufficiently address agriculture, and equally that DFID's agriculture strategy makes little mention of water. DFID's focus on achieving the sanitation and water Millennium Development Goal should not be to the exclusion of focusing on water for agriculture, an essential component of meeting MDG1 which seeks to halve the number of people suffering from hunger. Strategies for promoting the productive use of water for food, including irrigation, should be pursued both through high-level donor engagement—particularly seeking the achievement of the Commission for Africa's recommended increase in funding of irrigation by 50% before 2010—and through national water resources

management strategies which encourage the efficient use of water at the community level.

We agree that more efficient use of water for agriculture is important. In the 2006 White Paper we have committed to help countries make efficient use of water (including for agriculture) as part of our approach to sustainable growth. DFID's 2005 Agriculture Strategy also identifies improved access to land and water resources for poor people as one of eight priorities for DFID's support.

While it is clear that more extensive and more efficient irrigation will be central to pro-poor growth in Africa, this has significant implications for water management. Our focus is therefore on supporting countries to improve water resources management so that water is allocated fairly, in support of agreed national development priorities, and that use is balanced with environmental sustainability. This is even more important in the context of population growth, urbanisation and climate change. DFID has committed to do more on water resources management as part of a range of strategies for climate change adaptation.

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